CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
August 11, 2021

Corazón del Valle (CDV) II, located at 14533 Lanark Street in Panorama City, requested and is being recommended for a reservation of $2,477,996 in annual federal tax credits to finance the new construction of 88 units of housing serving special needs tenants & large families with rents affordable to households earning 30-50% of area median income (AMI). The project will be developed by Clifford Beers Housing and will be located in Senate District 18 and Assembly District 46.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the MHP program(s) of HCD.

Project Number CA-21-595

Project Name	Corazón del Valle (CDV) II		
Site Address:	14533 Lanark Street		
	Panorama City, CA 91402	County:	Los Angeles
Census Tract:	1200.20		

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,477,996	$0
Recommended:	$2,477,996	$0

Applicant Information

Applicant:	CDV II, L.P.
Contact:	Audrey Peterson
Address:	11739 Victory Blvd North Hollywood, CA 91606
Phone:	213-316-0108
Email:	apeterson@cbhousing.org

General Partner(s) or Principal Owner(s):	CDV II LLC
General Partner Type:	Nonprofit
Parent Company(ies):	Clifford Beers Housing
Developer:	Clifford Beers Housing
Bond Issuer:	Los Angeles County Development Authority
Investor/Consultant:	Nancy Lewis Associates, Inc.
Management Agent:	Levine Management Group

Project Information

Construction Type:	New Construction	
Total # Residential Buildings:	1	
Total # of Units:	90	
No. / % of Low Income Units:	88	100.00%
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	HUD Section 8 Project Based Vouchers (49 Units / 54%)	

Information

Housing Type:	Special Needs / Large Family
Geographic Area:	City of Los Angeles
TCAC Project Analyst:	Franklin Cui

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	49	56%
50% AMI:	39	44%

Unit Mix

18	SRO/Studio Units
27	1-Bedroom Units
23	2-Bedroom Units
22	3-Bedroom Units
90	Total Units

Unit Type & Number		2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
18	SRO/Studio	30%	$621
18	1 Bedroom	30%	$665
5	1 Bedroom	30%	$665
5	2 Bedrooms	30%	$798
3	3 Bedrooms	30%	$922
3	1 Bedroom	50%	$1,108
17	2 Bedrooms	50%	$1,330
19	3 Bedrooms	50%	$1,536
1	1 Bedroom	Manager’s Unit	$0
1	2 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$769,552
Construction Costs	$32,938,515
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$3,324,526
Soft Cost Contingency	$342,642
Relocation	$0
Architectural/Engineering	$1,479,175
Const. Interest, Perm. Financing	$4,131,618
Legal Fees	$337,635
Reserves	$571,544
Other Costs	$1,628,772
Developer Fee	$5,346,404
Commercial Costs	$945,384
Total	**$51,815,767**

Residential	
Construction Cost Per Square Foot:	$374
Per Unit Cost:	$565,226
True Cash Per Unit Cost*:	$563,896

Construction Financing

Source	Amount
Wells Fargo - Tax Exempt	$25,600,000
Wells Fargo - Taxable	$8,076,123
LACDA	$6,950,000
Deferred Costs	$733,523
Deferred Developer Fee	$4,843,352
General Partner Equity	$100
Tax Credit Equity	$5,612,669

Permanent Financing

Source	Amount
CCRC	$1,357,763
HCD - MHP	$18,348,654
LACDA	$7,000,000
Deferred Developer Fee	$121,948
GP Capital Contribution	$2,846,404
General Partner Equity	$100
Tax Credit Equity	$22,140,898
TOTAL	**$51,815,767**

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)	
Requested Eligible Basis:	$47,655,764
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$61,952,493
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	$2,477,996
Approved Developer Fee (in Project Cost & Eligible Basis):	$5,346,404
Investor/Consultant:	Nancy Lewis Associates, Inc.
Federal Tax Credit Factor:	$0.89350

Except as allowed for projects basing cost on assumed third party debt, the "as if vacant" land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions

The County of Los Angeles, acting through LACDA, will ground lease the property to the ownership entity CDV II, L.P.

This is a Special Needs project (51%) with Large Family units (49%) for the remaining restricted units. Of the 88 restricted units, 43 apartments will be reserved for low-income families and 45 apartments will be set aside for households currently experiencing homelessness and chronic homelessness.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee's next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.